

Jones
Law Firm P.C.

January 24, 2022

District Judge Rachel P. Kovner
United States District Court
Eastern District of New York
225 Cadman Plaza East
Brooklyn, New York 11201

**Re: Plaintiff's Status Letter in *Hammock v. Moving State to State, LLC et al.*,
No. 18 Civ. 05628 (E.D.N.Y.)**

Judge Kovner:

Pursuant to the Court's Order, Plaintiff's Counsel submits this status letter indicating how Plaintiff would like to proceed.

Plaintiff proposes a fourth amended complaint due, Friday, February 11, 2022. Plaintiff seeks to add the following to the complaint: (1) two new plaintiffs (Angela Bynum and Angelina Urelío-Urbáez), (2) one newly identified corporate defendant (Green Peace Transportation LLC), (3) a claim for violating the Racketeer Influenced and Corrupt Organization Act ("RICO"), 18 U.S.C. §§ 1961-1968, and (4) allegations supporting a class action with the goal of seeking class certification for the victims of the fraudulent scheme perpetuated by Defendants.

This course of action is suggested as Plaintiff's counsel has been investigating, researching, and monitoring various cases in the aftermath of the guilty plea entered by the two Individual Defendants: Michael Nadel and his son Yarin Nadel (the "Nadels"). As this Court may remember, the criminal case against the Nadels was filed after Plaintiff initiated this civil action and due to Plaintiff's actions including contacting the government.¹ On June 24, 2021, the Individual Defendants pleaded guilty to Count VI of a Criminal Indictment filed by the United States in this District. Minute Entry, Dkt. No. 46, *United States v. Nadel*, No. 19 Cr. 00493 (E.D.N.Y.) (Vitaliano, J.).²

¹ In addition, Plaintiff's counsel notes a new proposed class action based on labor law violations was filed on January 16, 2021, against the Nadels and a previously unknown corporation allegedly owned by them: 4017 Wireless Inc. *See Perez v. 4017 Wireless Inc. et al.*, No. 21 Civ 06927 (E.D.N.Y.).

²<https://storage.courtlistener.com/recap/gov.uscourts.nyed.440576/gov.uscourts.nyed.440576.46.0.pdf>

Plaintiff's Counsel has been monitoring the two criminal dockets. The Individual Defendants have yet to be sentenced by the Honorable Eric N. Vitaliano. A sentence hearing has not yet been scheduled for them despite the guilty pleas being entered in June 2021 (at least that is publicly available). It may be that there is a continuing investigation by the Department of Justice, but Plaintiff's counsel does not know at this time.

The specific criminal count admitted to was that the Nadels "together with others, did knowingly and intentionally conspire to devise a scheme and artifice to defraud customers and potential customers of the State to State Companies, and to obtain money and property from them by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing said scheme and artifice, to transmit and cause to be transmitted by means of wire communication in interstate commerce . . . contrary to Title 18, United States Code, Section 1343." Dkt. No. 1 at 12 ("Count Six"), *United States v. Nadel*, No. 19 Cr. 00493 (E.D.N.Y.) (Vitaliano, J.).

This scheme and artifice to defraud gives rise to a RICO violation. It may be summarized as follows: Michael Nadel and Yarin Nadel, together with others including the Corporate Defendants, marketed their services on the internet as interstate moving brokers and/or carriers. When potential customers contacted the defendants through email or the telephone, the defendants made fraudulent statements on email or telephone, or both, that were designed to induce them to retain the Corporate Defendants' interstate services and to give money and property to them.

Later, after receiving the victims' property, the defendants made further misrepresentations to secure additional monies from the victims. If the victims refused to pay additional monies (often upwards of 10% of the original estimate), the defendants placed the victims' property into storage and refused to deliver the property until they received the additional payments. If the victims continued to refuse to make the additional payments, these defendants threatened to sell or auction off the victims' property. Defendants conducted this fraudulent scheme by engaging with victims using interstate wires (including the use of the electronic mail, telephones, and internet) to transmit fraudulent representations to obtain money and property from their victims, including the three proposed plaintiffs in this case, in interstate commerce.

In the criminal case, "State to State Companies" refers to the corporate defendants previously named in this case plus a new one: Green Peace Transportation LLC. Thus, Plaintiff proposes naming six business entities owned and operated by the Nadels in the Fourth Amended Complaint: (1) Moving State to State

LLC (“STS”), (2) State to State Moving NY Inc., (3) State to State Moving Group LLC, (4) Direct Van Lines Services, Inc. (5) Around the Clock Moving Services Inc. and (6) Green Peace Transportation LLC as well as currently unknown individual people and business entities numbered 1 through 100.

Given the guilty pleas by the Nadels and the specific scheme admitted to, Plaintiff proposes a class action for (1) violations of RICO (detailed above), (2) deceptive business practices in violation of N.Y. Gen. Bus. Law § 349 et seq., (3) fraudulent conveyance, (4) fraud, (5) negligent misrepresentation, and (6) conversion under New York law.

Plaintiff's fourth amended complaint will also add two new plaintiffs harmed by the Individual Defendants' fraudulent scheme: Angela Bynum and Angelina Urelío-Urbáez. Ms. Bynum was harmed by the fraudulent scheme on or about October 13, 2018. Ms. Urelío-Urbáez was harmed by the fraudulent scheme on or about January 28, 2019.

Counsel for Plaintiff, and the proposed two new plaintiffs, appreciates the Court consideration of the request that they be allowed to file a fourth amended complaint on or before Friday, February 11, 2022. The case has evolved significantly, and Plaintiff's Counsel intends to fully prosecute the case to assist the victims harmed by Defendants and any other responsible parties.

Respectfully Submitted,
/s/ Bryce Jones
T. Bryce Jones, Esq.
Jones Law Firm, P.C.
1270 Avenue of the Americas,
Seventh Floor
New York, NY 10020
(212) 258-0685
bryce@joneslawnyc.com
Attorneys for Plaintiff